

**MINUTES  
of the  
FIRST MEETING  
of the  
WELFARE REFORM OVERSIGHT COMMITTEE**

**June 20, 2006**

The 2006 organizational meeting of the welfare reform oversight committee was called to order by Representative Luciano "Lucky" Varela, chair, on Tuesday, June 20, at 10:20 a.m. at the state capitol. All handouts are in the meeting file.

**Present**

Rep. Luciano "Lucky" Varela, Chair  
Sen. Linda M. Lopez, Vice Chair  
Sen. Sue Wilson Beffort  
Sen. Clinton D. Harden, Jr.  
Rep. Irvin Harrison  
Rep. Nick L. Salazar  
Rep. Jim R. Trujillo

**Absent**

Sen. Steven P. Neville  
Sen. Gerald Ortiz y Pino  
Sen. John Pinto  
Rep. Gloria C. Vaughn  
Rep. Avon W. Wilson

**Advisory Members**

Rep. Ernest H. Chavez  
Sen. Dianna J. Duran  
Rep. Candy Spence Ezzell  
Sen. John C. Ryan  
Rep. Edward C. Sandoval

Sen. Ben D. Altamirano  
Rep. Richard P. Cheney  
Rep. Kandy Cordova  
Rep. Daniel R. Foley  
Rep. Larry A. Larranaga

**Staff**

Jennie Lusk  
Pamela Ray  
Carrie McGovern

**Guests**

The guest list is in the original meeting file.

**Changing the Contract for the New Mexico Central Region Workforce from the Labor Department to New Mexico State University (NMSU)**

Katie Falls, human services department deputy director, reported that the department has entered into a contract with NMSU to operate the temporary assistance for needy families (TANF) program because new federal Deficit Reduction Act changes have caused increasing concern about the state's ability to meet requirements for participation in work activities. NMSU has had success in meeting the federal requirement that 50 percent of single TANF clients participate in a work activity, unlike the rates of participation currently in the central region. Because the state is assessed as a whole by the federal government and the central region program is the largest of the TANF programs, the department judged that getting an administrator with a better history of performance than the labor department would be prudent.

Ms. Falls reviewed the work participation rates for New Mexico regions, noting that, currently, the central region of Bernalillo, Sandoval, Torrance and Valencia counties has a work participation rate for singles of 41.5 percent to 48.7 percent. In the southwest region currently administered by NMSU, the work participation rate is between 63.5 percent and 76.2 percent.

Ms. Falls reviewed changes requiring New Mexico to meet the 50 percent participation rate for singles and a 90 percent participation rate for two-parent families within the current calendar year. In addition, a credit available to the state until June 30, 2006 in calculating the rate will no longer be available, so the participation numbers are likely to appear even worse.

Reese Fullerton, executive director of the office of workforce training and development (OWTD), reported that the services in the central region will remain the same and that the administrative changes should not have an impact on TANF clients. He noted that OWTD will have opened between eight and 12 one-stop centers for job placements and other services by the end of the summer, that the OWTD's job readiness certification program is becoming widely used by businesses, that the OWTD is emphasizing services for people with disabilities and youth at risk, that the OWTD has worked with Clovis-area businesses in preparing for a new mission for Cannon air force base and that the OWTD has simplified its contract for on-the-job training.

Mr. Fullerton also announced that he is leaving his post to become a deputy secretary for the energy, minerals and natural resources department. The new executive director and deputy for the OWTD have been named.

Marilyn Hill, deputy secretary for field operations, labor department, appeared before the committee to review the accomplishments of the department in operating the central region. She noted that the department began operations without a contract last July 1. The department, the central New Mexico council of governments and OWTD all were inexperienced in operating a TANF program. Jackie Ingle, who will transition between the administrative organizations, noted that there are still problems to be solved in the central region, regardless of the administrator — among them, data, office space and equipment.

Sandra Corriveau, director of program development for limited resources audiences for NMSU, thanked the labor department for its cooperation in the transition and expressed hope for success in administering the program.

Under questioning by committee members, Ms. Falls answered that the federal government requires the state to count in its work participation rates even those clients who are exempt from work. She agreed that the federal government is shifting costs to state governments. She said that many TANF clients should really be on social security but are unable to get signed up for benefits that they deserve in as timely a fashion as they are able to sign up for TANF. There was a question whether the federal government can improve social security in such a way as to protect TANF funding. She answered that the contract with NMSU was entered into on behalf of the department, not OWTD. She agreed that the northern region, operated by New Mexico highlands university for many years, has not met the work participation rates that in part caused the human services department to remove the labor department from operating the central region.

She acknowledged that the central New Mexico contract has been changed three times over four years. She asserted that the fact that the number of TANF clients has remained fairly constant does not mean that the program is unsuccessful; instead, it reflects the fact that there is a steady influx of new clients. She assured members that a majority of labor department employees will successfully transition to NMSU, though all employees will interview with the university after a temporary transition period. All positions — an estimated 54 — will be paid with TANF dollars. The changeover will not add more money to the administrative budget. Ms. Falls also acknowledged that the pay scale for income support division employees is comparatively low; starting pay is \$12.15 per hour although a college degree is almost mandatory.

Mr. Fullerton was applauded for his efforts, although committee members expressed concern over his departure and its significance for the smooth operation of TANF programs. The chair expressed concern that OWTD continue to emphasize oversight functions and not involve itself in the program. He also noted that the legislative finance committee is currently auditing the program to ensure that it has not deviated from the statutory authority set forth in its creation.

The committee took comments from the audience. Diane Wood, lobbyist for the women's justice project, was invited to address the committee and noted that women recently released from prison have even more barriers to finding work than do most poor women. Increases proposed in the teamworks program through the commission on the status of women (CSW) for women leaving prison did not pass, despite an endorsement by the courts, corrections and justice committee. Ms. Wood noted that the courts, corrections and justice committee had requested a total of only \$190,000 for the teamworks program and for resources and referral programs operated by CSW. Aiding the success of even one woman reentering the workforce could save the state an average of \$150,000, based on an average four-year term. Senator Harden described the barriers to finding work for a woman who had been in prison and noted that a minimum of four visits would be required to determine whether a woman was eligible for services. Gale Martinez from St. Elizabeth's center mentioned the veto of House Bill 385, which meant a loss of \$206,000 for the center's homeless program. The chair asked that the human services department redirect allocations to the shelter.

Committee members expressed longstanding frustration over the lack of programs for women that build nontraditional and relatively marketable skills. They also expressed frustration over vetoes and cuts for homeless programs and discussed the need to build homelessness services into departmental budgets. Staff was instructed to meet with legislative finance committee staff to begin working to better include the homelessness programs in budgets.

### **Work Plan**

The committee adopted the work plan for 2006, as circulated, with plans to adjust agendas to serve the committee's interests during the interim.

The meeting was adjourned at 12:35 p.m.